

Bureau of Land Management, Interior

§3141.6-3

(b) The lessee may request the Secretary to reduce the royalty rate applicable to tar sand prior to commencement of commercial operations in order to promote development and maximum production of the tar sand resource in accordance with procedures established by the Bureau of Land Management and may request a reduction in the royalty after commencement of commercial operations in accordance with §3103.4-1 of this title.

(c) The rental rate for a combined hydrocarbon lease shall be \$2 per acre per year, and shall be payable annually in advance.

(d) The rental rate for a tar sand lease shall be \$1.50 per acre for the first 5 years and \$2.00 per acre for each year thereafter.

(e) Except as explained in paragraphs (a), (b), and (c) of this section, all other provisions of §§3103.2 and 3103.3 of this title apply to combined hydrocarbon leasing.

[48 FR 7422, Feb. 18, 1983, as amended at 55 FR 12351, Apr. 3, 1990; 70 FR 58615, Oct. 7, 2005]

§3141.5-4 Lease size.

Combined hydrocarbon leases or tar sand leases in Special Tar Sand Areas shall not exceed 5,760 acres.

[70 FR 58616, Oct. 7, 2005]

§3141.5-5 Dating of lease.

A combined hydrocarbon lease shall be effective as of the first day of the month following the date the lease is signed on behalf of the United States, except that where prior written request is made, a lease may be made effective on the first of the month in which the lease is signed.

§3141.6 Sale procedures.

§3141.6-1 Initiation of competitive lease offering.

The Bureau of Land Management may, on its own motion, offer lands through competitive bidding. A request or expression(s) of interest in tract(s) for competitive lease offerings shall be submitted in writing to the proper BLM office.

§3141.6-2 Publication of a notice of competitive lease offering.

(a) *Combined Hydrocarbon Leases.* Where a determination to offer lands for competitive leasing is made, a notice shall be published of the lease sale in the FEDERAL REGISTER and a newspaper of general circulation in the area in which the lands to be leased are located. The publication shall appear once in the FEDERAL REGISTER and at least once a week for 3 consecutive weeks in a newspaper, or for other such periods deemed necessary. The notice shall specify the time and place of sale; the manner in which the bids may be submitted; the description of the lands; the terms and conditions of the lease, including the royalty and rental rates; the amount of the minimum bid; and shall state that the terms and conditions of the leases are available for inspection and designate the proper BLM office where bid forms may be obtained.

(b) *Tar Sand Leases or Oil and Gas Leases.* At least 45 days prior to conducting a competitive auction, lands to be offered for a competitive lease sale shall be posted in the proper BLM office having jurisdiction over the lands as specified in §1821.10 of this chapter, and shall be made available for posting to surface managing agencies having jurisdiction over any of the included lands.

[70 FR 58616, Oct. 7, 2005, as amended at 71 FR 28779, May 18, 2006]

§3141.6-3 Conduct of sales.

(a) *Combined Hydrocarbon Leases.* (1) Competitive sales shall be conducted by the submission of written sealed bids.

(2) Minimum bids shall be not less than \$25 per acre.

(3) In the event that only 1 sealed bid is received and it is equal to or greater than the minimum bid, that bid shall be considered the highest bid.

(4) The authorized officer may reject any or all bids.

(5) The authorized officer may waive minor deficiencies in the bids or the lease sale advertisement.

(6) A bid deposit of one-fifth of the amount of the sealed bid shall be required and shall accompany the sealed